

ment and in the Communist movement of various countries. It was translated into various languages. This was the English edition.

Q. Was that International Press Correspondence the official organ of the Communist International?

THE WITNESS: Yes, sir.

13801 Q. Now I call your attention, Mr. Badenz, to your
quoted statement. I quote from it a portion as follows: "For him who purposes to advance the workers' revolution, there is but one road to follow: the path of the Comintern. That definite conclusion leads me to announce
13802 my affiliation with the Communist Party of the United States."

What was this path of the Comintern which you felt at that time should be followed?

THE WITNESS: The path of revolution, the violent shattering of the non-Communist governments as the aim of the Communist International, expressed in its program and in the statements of its leaders, Lenin and Stalin.

By MR. PAISLEY:

Q. The shattering of other governments with what purpose in mind? What was the path? What was the ultimate goal?

THE WITNESS: To set up the dictatorship of the proletariat, to lead to the dictatorship of the proletariat or the world Soviet dictatorship.

By MR. PAISLEY:

Q. Now I show you a photostat of the International Press Correspondence, a copy of which has been marked Petitioner's Exhibit 430 for identification.

(Document produced and marked for identification Petitioner's Exhibit No. 430.)

By MR. PAISLEY:

Q. I ask you, Mr. Budenz, if that is the document
13803 which Stachel referred to, called to your attention.

A. That is the resolution he referred to.

Q. Is it the one that appears on page 861? A. Yes. I
thought you were calling my attention to that. "To Com-
rade Stalin, Leader, Teacher and Friend of the Proletariat
and Oppressed of the Whole World."

13804 Q. At the time he called this resolution to your
13805 attention did he say anything more to you about this
American delegation that you now recall, which had
attended the convention?

THE WITNESS: He stated in connection with this resolu-
tion the American delegation approved of it along with the
other Communist parties.

13808 Q. I call your attention to what has been marked
Petitioner's Exhibit No. 431. I ask you to tell the
Panel whether or not you recognize this International Press
Correspondence, Volume 15, No. 33, as International Press
Correspondence, the official organ of the Communist Inter-
national. A. Yes, I do. I am very familiar with it. It was
given free to every member of the Daily Worker staff and
every Communist functionary.

Q: Can you find Volume 15, No. 33 in this? A. That is the
same one.

Q. I call your attention to page 861 of Volume 15, No. 33,
in the original. Do you see there the resolution of Com-
rade Stalin about which you testified? A. Yes, sir; that
is the resolution.

Q. You recognize that as the International Press Correspondence? A. Yes, sir, that is the International Press Correspondence which we were required to study.

13809 Q. In your conversation with Mr. Stachel about that Seventh World Congress did he mention any other American Party members being over there and participating in it?

Q. Other than Foster and Browder and himself?

13810 THE WITNESS: Yes. He mentioned a number. I can recall Martha Stone, Sam Darcy, and Ben Carruthers. There were others mentioned.

By MR. PAISLEY:

Q. Did you later have any conversation with any of these individuals about their having been over there? A. Oh, yes. I didn't with Darcy, because he didn't come back to the United States for a long time. He remained in Moscow. But I did with Martha Stone and with Carruthers.

Q. How about Gil Green? A. Yes, I did with Gil Green.

Q. Do you remember the occasion? A. He arrived in the early part of 1936. I met him on the ninth floor of the Communist Party, that is, the headquarters, at the time he was giving a report to the National Committee on his work among the youth and upon his investigation of the Communist youth movements of Europe and specifically the Soviet Union. He stated to me that he had remained a few months after the Seventh World Congress to make that investigation.

Q. Was he a delegate to the convention? A. Yes, sir. He told me he made a speech there, as a matter of fact.

Q. Do you know whether Stone and Darcy were delegates?

13811 THE WITNESS: Stachel said they were delegates. Stone and Carruthers told me they were.

By Mr. SLEY:

Q: When you became a member of the Party, Mr. Budenz, were you given any party literature? A. Yes, sir, prior to my joining the party I was given some literature by Jack Stachel.

Q. Do you recall what it was? A. There was J. Peters. Peters Manual of Organization and M. J. Olgin's "Why Communism?" the program of the Communist International as adopted at the Sixth Congress and reaffirmed at the Seventh, and Stalin's Foundations of Leninism.

Q. Did he give you any reason for giving you this material? A. Yes. He stated that these books are documents which would be of value in making my work measure up more to Communist integrity and understanding.

Q. Did you make any use of them? A. Yes, sir; I made constant use, that is, off and on.

Q. In what way? A. In different ways, in making reports to the Daily Worker Staff, in making talks to Communist groups, in teaching at the Worker School, 13812 and also in editorial work on the Daily Worker.

Q. Over what period of time did you make use of them? A. I might say practically all the time I was in the Communist Party.

Q. By the way, when did you leave the Communist Party? A. October 1945. I was in the Party ten years officially and openly.

Q. You were in the Party, then, before the creation of the Communist Political Association? A. What is that?

Q. You were in the Party, then, before the creation of the Communist Political Association? A. Oh, yes. That took place in 1944.

Q. And the reactivation of the Communist Party. You were in there during that period? A. Yes, sir.

Q. After you joined the Party just what assignments were given you? A. I was named first a member of the staff of the Daily Worker, and after a very short period I was made Labor Editor of the Daily Worker.

Q. For how long a period? A. Oh, I should say until January 1936, maybe earlier.

13813 Q. You had had editorial and newspaper experience before that, had you? A. Yes, sir.

Q. For how long a period of time? A. For many years I was editor of the Labor Age, prior to that, for approximately 12 or 13 years.

Q. At that time when you first became Labor Editor, where was the paper published? A. You mean the Daily Worker?

Q. Yes. A. The Daily Worker was published at 35 East 12th Street, that is, or 50 East 13th Street. It had that double address. On the eighth floor so far as the editorial offices were concerned.

Q. Where were the Communist Party USA headquarters? A. On the ninth floor of the same building.

Q. Who gave you your appointment as Labor Editor? A. Earl Browder.

Q. What was his position in the Communist Party? A. General Secretary of the Communist International.

Q. Of the Communist International? A. I mean of the Communist Party.

Q. How long did you continue in the position of Labor Editor? A. Until November 1937, when I went to Chicago to become editor of the Midwest Daily Record.

13814 Q. What was the Midwest Daily Record? A. The Midwest Daily Record was a Communist-controlled, organized and financed newspaper which the Communists stated publicly was the Communist gift to the people's front.

Q. Who appointed you to that position? A. The announcement was made by Jack Stachel, although he stated the Politburo had appointed me.

Q. Did he give you any directions as to what you should do? A. Yes, he did. I was to conduct this paper as a people's

front paper, but with the Communist line to dominate it and to guide it. It was to be under the direction of representatives of the Politburo.

Q. What was Stachel's position, Mr. Budenz, in the Party, when he sent you out there to Chicago? A. Jack Stachel was the most important member of the Political Bureau or Political Committee. It had various names. The Communists changed the name of it. It was the Executive Committee of the National Committee. He had various commissions. He was in charge of trade union work, he was in charge of the Party for a time. He had various commissions, and he was the most important member of 13815 the Political Bureau.

Q. Did he indicate to you whether or not your assignment to that work in Chicago had been considered by the committee? A. By the Political Bureau?

Q. Yes. A. Oh, specifically. As a matter of fact—That answers the question.

Q. Had the paper been established when you went out there? A. No, sir, it was not established, as a matter of fact, as a paper until the following February, but I went out to get the staff together, to make the preliminary arrangements, to go to various cities and conduct a fund campaign, and things of that sort.

Q. Did you finally get it started as a newspaper? A. In February 1938.

Q. Was it a daily or a weekly? A. It was a daily, with the exception of Sunday, until some time in 1939 when it became a weekly.

Q. What were the circumstances that brought that about? A. The paper had made an appeal to a wider group of readers than just Communists on the grounds it was a people's front publication, and when the Hitler-Stalin Pact occurred, it lost thousands of readers and finally became a weekly and then terminated.

13816 Q. Did you run into any financial difficulties at that time? A. It had financial difficulties all the

time, I must say, but they became accentuated in 1939 and it terminated about January 1940.

Q. To what extent was your work supervised on that paper by the Party?

Q. To what extent, if any, was your work supervised?

THE WITNESS: It was carefully supervised, not only in the sense that I was obliged to make frequent trips to New York to consult the Politburo members, but also that Morris Childs, who was the leader of the Communist Party in Illinois, was made a candidate to the Politburo in order to supervise the paper more directly on the scene.

By MR. PAISLEY:

Q. What was his official designation in Illinois? A. That designation has changed from time to time. He was the district leader in Illinois. The title is state secretary or state chairman or district organizer. These titles have been changed from time to time, as was the custom of 13817 the Communist Party.

Q. How long did you remain as editor of the Midwest Daily Record? A. Until its discontinuance.

Q. In what year? A. 1940, the early part of 1940. I returned to New York approximately in February 1940.

Q. Do you know why and what the circumstances were surrounding the ceasing of publication in January 1940?

THE WITNESS: Yes, sir. As I stated, it was due to the fact that the circulation had fallen off to such a degree that it was found impracticable to continue it.

By MR. PAISLEY:

Q. Did you ever have occasion to come to New York with Morris Childs in connection with the financing of the paper?

THE WITNESS: Yes, sir, on several occasions, and specifically in the year 1939, when we were trying to obtain more funds from the Communist Party.

By MR. PAISLEY:

Q. What occurred on that occasion? A. We had 13818 a conference with Robert William Weiner who was then in charge of the Communist Party funds.

Q. Was he an official of the Party? A. He has been treasurer of the Party and president of the International Workers Order, but he always has been in charge of the funds. He later became head of the publishing house, the New Century Publishers. But even during that period he was in charge of all the Party funds and supervision of all the Party financial affairs.

Q. Did you and Morris Childs have a discussion with him with reference to the financing of the Midwest Record? A. Yes, sir, this was one of the many discussions.

Q. Do you recall what was said? A. Yes, sir. When Weiner said that it was impossible for the Party to put any more money into the Midwest Daily Record, Childs asked him if we couldn't get some money from abroad.

Q. What did he say? A. He said that we could normally, but the channels of communication abroad had been broken for the time being, and perhaps could be re-established so money could come.

Q. Was the word "abroad" used or was there any discussion as to what "abroad" meant?

13819 THE WITNESS: That was the terminology which was used very frequently in the Communist Party.

By MR. PAISLEY:

Q. Was it clarified to you by Weiner what he meant?

THE WITNESS: It was not definitely stated what he meant but that term had been used constantly in the Communist Party as a specific source or center.

Q. What did it mean to you, Mr. Budenz?

THE WITNESS: It meant financial aid from Moscow, both because of this terminology and because of experience.

By MR. PAISLEY:

Q. After you discontinued your work on the Midwest Daily Record what did you do? A. I returned to New York where I was advised that I was to become head of 13820 the corporation publishing the Daily Worker and managing editor of the paper.

Q. Do you recall who told you that? A. Yes, first Elizabeth Gurley Flynn and then Earl Browder, who called me up to the ninth floor to advise me officially that the Politburo had so appointed me as the President of the Corporation that was to be formed.

Q. Browder was then general secretary of the Party? A. Yes, sir. He was the leader of the Party.

Q. Did you discuss it with any other leaders of the Party? A. Yes, I discussed it with a number of leaders of the Party.

Q. Was Foster then one of the leaders? A. Yes, sir, Foster was about that time named as liaison officer of the Politburo with the Daily Worker.

Q. How about Dennis? A. He succeeded Foster as the liaison officer of the Politburo supervising the work of the Daily Worker.

Q. How long did you remain as managing editor of the Daily Worker? A. First I think I should explain, if I might, when the corporation came into existence.

Q. All right. A. Because there were some months there where the legal procedure had to be straightened 13821 out. The corporation came into existence openly, that is, it was publicly acknowledged, around June

1940.

Q. Prior to the creation of the corporation who was running the Daily Worker openly? A. They had a prior corporation, and I was working in the Daily Worker, but the corporation was announced publicly in June while I was in St. Louis at the convention.

Q. What was the name of that corporation? A. Freedom of the Press Company, Inc.

Q. You became president? A. That is right, at that time.

Q. Were you also managing editor of the paper? A. I became managing editor about a year or a year and a half later, although that was also involved in the Politburo's decision.

Q. What duties did you have before you became managing editor? A. I was acting practically in that capacity. We had an associate editor there, Sam Don, and we worked together. Then I became definitely managing editor, although that I say was the arrangement made some time prior.

Q. During that period 1940 to 1945, when you left the Party, did you hold any positions in the Party? A. Yes, a number of positions. I was on the state Trade Union 13822 Commission of New York in 1936 to '37. I was on the State Committee of the Illinois Communist Party, that is, the Illinois district during my time in Chicago. I was also a member of the State Committee in New York. I was a member of the National Trade Union Commission for a time, and other commissions.

Q. In the period of time were you ever on the National Committee of the Party? A. Oh, yes. I was a member of the National Committee of the Party, being co-opted in 1936.

Q. How long did you serve on the National Committee of the Party? A. I was on the National Committee of the Communist Party so far as attendance was concerned all through my period from 1936 on, but during part of the time that I was head of the Daily Worker I was advised by Browder that it would be better for me to not be a member of the National Committee, although I attended all the meetings, that is, when I could do so. I was officially re-

requested to attend just as though I were a national committee member.

Q. Did you attend most of the meetings? A. Yes, I did.

Q. Did Browder give you any reason why you should not be officially a member of the committee? A. Yes, sir. He stated that it might be advisable from the legal
13823 viewpoint to set up the plea that the Daily Worker and the Communist Party were separate entities, and that is why the Freedom of the Press Company, Inc., had been established, with three gentlewomen as alleged owners, and if I were not on the National Committee I could plead that I was closely connected with the Communist Party functioning apparatus.

Q. Was there any difference between the National Committee and the Political Committee and the Politburo? A. Yes, indeed. The Politburo is actually the governing body of the Communist Party of the United States. It is technically the Executive Committee of the National Committee, with power to act in between the sessions of the National Committee, but actually it makes statements in the name of the National Committee and directs the National Committee in its work. It is the directing body of the Communist Party.

Q. During this period 1940 to '45 did you attend the meetings of the Political Committee or the Politburo? A. Yes, sir; from time to time as I was requested or as the necessities of the Daily Worker required, and also I came in to Chicago occasionally and attended these politburo meetings when it was thought necessary that I should do so in order to be informed.

Q. To what extent were your duties on the Daily Worker supervised by the Party leaders, if at all? A. They were very definitely supervised. First of all, there was a liaison overseer or directing representative of the Political Bureau who met as a rule every day with the editorial board of the Daily Worker, and then in addition to that we had a direct internal telephone up to the Political Bureau's head-

quarters and consulted them frequently all during the day. I did, and those associated with me did.

Q. In connection with the publication of the paper? A. In connection with publication of the paper, carrying out of the Communist Party line, and the particular slant to be taken on individuals or on movements or on committees or on any other thing of that sort where such advice was necessary.

Q. Was it customary to slant news items?

THE WITNESS: The news items had to be in conformance with the Communist Party line during every period, definitely.

MISS McHALE: Mr. Paisley, at this point do you mind if I ask a question.

Was this an accepted policy by the three women who supposedly financed the paper?

THE WITNESS: Yes. They did not appear around the paper at all, except once a year, and had nothing to do with the paper whatsoever, actually. They were just used for the defense of the paper during the period of the Hitler-Stalin Pact and for some time thereafter.

MISS McHALE: Was the paper in this period when you were the manager considered the official medium of Communication? I mean by "official," official for the Communist Party.

THE WITNESS: Yes, it is and was then the telegraph agency for instruction or directions to the Commies. In the agreement which these ladies drew up—it was a complicated legal process—they became the owners and then they delegated by power of attorney all their power to three of us, that is, to myself as president, to Ben Davis who was variously treasurer, secretary or vice president, and to Howard Boldt, who also alternated in one of the other positions.

THE WITNESS: What I was coming to there, so I can explain that and give the background, what I was coming to was that in the agreement which was made between them and as ostensibly, it stated that we must follow the line or the policy that the Daily Worker had followed before, in other words, the Communist Party dictation.

By MR. PAISLEY:

Q. There came a time, did there not, Mr. Budenz, when the Communist Party, USA, changed its name to Communist Political Association? A. Yes, sir, that occurred in 1944.

Q. Did you become a member of the Communist Political Association? A. Yes, sir. All members of the Communist Party were turned over to the Communist Political Association, automatically.

Q. Was there any substantial difference in the leadership of the Party during that interim when the Communist Political Association was in existence?

THE WITNESS: No, sir, there was no substantial change. The same personalities appeared. There may have been slightly different functions, but that occurred even during the Communist Party period. Earl Browder became the President instead of the General Secretary, but he was still the leader.

By MR. PAISLEY:

Q. Do you remember the circumstances of the formation of the Communist Political Association? A. Yes, sir.

Q. Just tell the Panel in your own way exactly what happened in so far as you were able to observe it. A. The definite mention of the Communist Political Association officially to be made was made at a national committee meeting around January 1944.

Q. That would be a national committee meeting of the CPUSA? A. Of the Communist Party, yes, sir. There was first a preliminary meeting of the National Committee to acquaint us with what was going to happen. Browder told

us that it was necessary to dissolve the Communist Party and form an association in order to assure American acquiescence in a Red China and a Red Poland. Then we had the official session in which Browder brought forward formally the proposal that the Communist Party cease to exist as a party and become a political association.

Q. Was there a convention of the Communist Party, USA, which followed this discussion you just mentioned? A. The National Committee, if I remember correctly, voted unanimously at that time in favor of Browder's proposal and called for a convention in May to form the Communist Political Association.

Q. Was it formed at that convention? A. Yes, sir; it was formed at that convention.

Q. Do you remember when these national committee meetings took place, approximately? A. Do you mean with regard to Communist Political Association?

Q. Yes. A. I know so far as I remember it was early in 1944. I think it was in January. The exact date I don't recall at the moment.

Q. But it was May before the convention and that change took place? A. In May. I think the convention opened in the latter part of May, if I remember correctly. It was in May, at any rate.

(Document produced and marked for identification Petitioner's Exhibit No. 433.)

By MR. PAISLEY:

Q. I show you what has been marked Petitioner's Exhibit 433, Mr. Budenz, an issue of The Communist for February 1944. Do you recognize that as the Communist? A. Yes, sir, I do.

Q. Are you familiar with that decision in the National Committee published there on page 107 and 108? A. Yes, sir. It was known as the Teheran Resolution in the Communist Party because it was based on Browder's conclusion that the agreement at Teheran had made this move possible to dissolve the Communist Party.

Q. Are you familiar with this exhibit? Have you read it?

A. Yes, I have read it before, not recently, but I have read it before on a number of occasions.

Q. Mr. Budenz, did you attend this second meeting held in February 1944?

13830 MR. PAISLEY: I thought he said there were two meetings.

THE WITNESS: No, I haven't spoken about the February meeting as yet, Mr. Paisley. I referred to a meeting just held the day before the January meeting, and then the May meeting. There was a February meeting, but I didn't refer to it specifically.

MR. PAISLEY:

Q. There was a meeting in January? A. That was the National Committee meeting official session which passed unanimously this resolution.

Q. That is the one which is published there in the last exhibit? A. In the February 1944 issue of The Communist.

Q. Was there a meeting of the National Committee in February 1944? A. There was an informal meeting of the National Committee members and others called together hurriedly in response to a letter written by William Z. Foster to the members of the National Committee or to the National Committee, rather, as a body. It wasn't written to the members, but to the National Committee as a body.

Q. Did you attend that meeting? A. No. I couldn't because of my duties. I was either out of town or I couldn't be there. I was told to be there, but I couldn't be.

13831 Q. Did you talk to any of the members who did attend that meeting? A. Yes, sir; several of them, notably Benjamin J. Davis.

Q. Do you remember your conversation with Davis about it? A. Quite well, yes, sir.

Q. Will you tell the Panel about it?

Q. First, what was Ben Davis' position in the Party when he was talking to you? A. He was a member of the Politburo.

Q. All right, now tell us what he said. A. He came to the Daily Worker office where he was secretary-treasurer. I was working. He told me about the meeting that had taken place, at which Foster had got a good shellacking. They had upheld Browder's position on the Communist Political Association, with only Sam Darcy and Foster being opposed. Foster had changed the unanimous vote here, but it had been of no avail. He also stated to me that the Foster letter was ordered suppressed, that is, not to be given to the National Committee members nor to the membership 13832 at large.

Q. Did you see a copy of the Foster letter? A. Yes, sir; I did; I think a few days later.

Q. To whom was it addressed? A. It was given to me by Eugene Dennis. I had asked Mr. Dennis if I shouldn't be permitted at least to know the substance of the discussion because it would guide me on the Daily Worker, and he agreed that that was the case, but he said he could not permit the letter to remain in my possession. He permitted me to read it and took it away.

Q. Had you talked to Ben Davis about the letter before you talked to Dennis? A. Yes, sir.

Q. Had Davis told you in substance what the letter contained? A. Rather generally. I got the general idea.

Q. What was the general idea as he related it to you?

THE WITNESS: The general idea was that the proposal for the Communist Political Association and the ending of the Communist Party was not in line with the revolutionary position of Marxism-Leninism and therefore should be rejected, that Foster after consideration had come to that conclusion.

13833 Q. As I understand it, you went to Dennis and asked him why you couldn't see it, at least? A. He came down always. He was the representative of the Politburo who came down to the Daily Worker and in the course of our normal discussions. I asked him if it would not be a good idea for me to see the letter since it would aid me in my work.

Q. What did he say? A. He said that I should see the letter and he showed it to me, but he said he couldn't leave it in my possession.

Q. Did you read it? A. Yes, sir. He also said—May I add to that?

Q. Yes, go ahead. A. He also said it had been suppressed and should not be given to Party members; knowledge of it should not be given to Party members.

Q. Thereafter at a meeting of the Communist Party the Communist Political Association was formed?

13834 THE WITNESS: The convention of the Communist Party which met in May 1944, turned itself over into a convention of the Communist Political Association, Earl Browder making the motion, and it being unanimously adopted.

By MR. PAISLEY:

Q. You attended the convention, did you? A. Yes, sir.

Q. Did you participate in the deliberations of the convention? A. Yes, sir; I spoke there. I was a delegate.

Q. As a delegate? A. Yes, sir.

Q. To what extent were the officers and functionaries of the Communist Political Association the same as the officers and functionaries of the CPUSA?

THE WITNESS: It was practically the same. There were shifts. I have said that Earl Browder was made
13835 president instead of general secretary. Foster, who

had been national chairman, was made vice president. But by and large the same personnel appeared.

By MR. PAISLEY:

Q. Then it remained as the Communist Political Association until some time in 1945, did it not? A. That is correct.

Q. How was your work on the Daily Worker affected by this change?

THE WITNESS: It wasn't affected at all. The procedure remained the same, the directives remained the same. The control by the Politburo remained the same.

By MR. PAISLEY:

Q. Did the physical location of the plant remain the same?

A. Yes, sir; on the eighth floor.

Q. The physical location of the headquarters of the CP remained the same? A. Yes, sir, the Communist Political Association merely took over the same offices.

Q. Did you remain as president of the Freedom of the Press Company during that period? A. Yes, sir.

Q. You were managing editor of the Daily Worker? A. Yes, sir.

Q. Do you recall the conference in San Francisco when the United Nations was being organized? A. Yes, I do.

Q. Approximately when was that? A. That was in the early part of 1945. I think it began some time in February. I wouldn't be absolutely certain. It ran over into March.

Q. Did the Daily Worker have any representatives or correspondents covering that conference? A. Yes, sir.

Q. Who were they? A. Frederick Vanderbilt Field and Joseph Starobin.

Q. Were they members of the Communist Party, USA? A. Yes. Mr. Field was a member of the Communist Party and also had written a column for the Daily Worker for some time and was active in Far Eastern Affairs for the Communist Party. Joseph Starobin at that time was foreign editor of the Daily Worker.

Q. Did you from time to time receive communications from either of them? A. Yes, sir. We steadily received communications, both letters and also we received of course their news reports and comments.

13837 Q. Do you recall any particular communications from Starobin? A. Yes, I do recall a special delivery communication addressed to the editorial board, care of my attention.

Q. Did you receive it yourself? A. Yes, sir, I received it and opened it.

Q. Did you read it? A. In part, yes.

Q. What were the circumstances? A. I opened this letter from San Francisco, which was a statement that D. Z. Manuilsky—

MR. ABT: Just a moment, Mr. Chairman. I object to the witness testifying to the contents of the communication. The question was the circumstances under which it was received.

By MR. PAISLEY:

Q. Yes. Give us the physical surroundings. You said you opened the letter. A. I received the letter at the Daily Worker and was reading it when Jack Stachel came in.

MR. ABT: May we have the date, Mr. Chairman?

THE WITNESS: It was some time in May 1945. I think it was between the first week in May and May 22. I place that because of certain events. I was reading the letter and had got partly through when Stachel came in and I said
13838 to him, "Look at this important communication we received from Starobin." He glanced at it and said, "Oh, I must take this to the ninth floor immediately." And he took it from me and went upstairs with it, and I never saw it after that, the rest of it.

By MR. PAISLEY:

Q. Did you try to see it after that? A. No, I didn't make any effort. That is not the way Communists act.

Q. What do you mean by that, Mr. Budenz? A. Things that are referred to the ninth floor, unless the ninth floor refers them back to you you leave it to their discretion.

Q. How much of this letter did you see? A. I saw the beginning of it.

Q. How was it addressed? A. It was addressed to the Editorial Board, my attention as the Managing Editor.

Q. How much of the contents do you now recall?

13839 THE WITNESS: In this letter Mr. Starobin stated that D. Z. Manuilsky upon his arrival in San Francisco had expressed indignation at the fact that the American Party had not criticized the American leaders, 13840 that is, in the government, more severely, and that The American Party should observe more carefully the guidance and the counsel of the French Communists.

13844 Q. Had the Duclos article been published in the United States at the time that article appeared in the New York Times on May 6? A. No, it had not.

Q. Was any one else present when Stachel took this letter away from you? A. No. It was prior to the editorial board meeting, and we were alone.

MR. PAISLEY: Give me Exhibit 208, please, Mr. Turner.

By MR. PAISLEY:

Q. Do you recall whether or not you read the Duclos article in Political Affairs? A. Yes, sir, I read it in Political Affairs and also in the Daily Worker.

Q. I show you, Mr. Budenz, what is already in evidence as Petitioner's Exhibit No. 208, purporting to be the Duclos article in Political Affairs. Do you recognize it? A. Yes, sir.

Q. Was it also published in the Daily Worker? A. It was published in July 1945 Political Affairs. It was published in the Daily Worker the latter part of May of that year. I attended to its publication. That is, it was given to me to publish.

13845 Q. Did you have anything to do with putting it in the Daily Worker? A. Yes, sir. It was handed to me by either Dennis or Stachel and I was asked to proof read it to make sure that it was correct; that is, that it was accurate, it was such an important document. Browder also advised me the same, although the document was handed me by either Stachel or Dennis.

Q. Did they tell you to publish it in the Daily Worker? A. Oh, yes, and to be very careful of its publication because of its importance.

Q. Do you see in that exhibit 208 any quotations from the Foster letter which had been suppressed? A. Yes.

Q. You have previously read this article, I take it, rather carefully, have you, Mr. Budenz? A. Yes, some time ago.

Q. At the time? A. I did on a number of occasions.

Q. At the time it came out I take it you read it rather carefully? A. That is right.

Q. How did the Foster letter as quoted in that Duclos article compare with the letter which you had seen and which had been taken from you?

13846 THE WITNESS: It was the same letter, that is, of course, I don't know word for word that it is the same letter.

By MR. PAISLEY:

Q. Do you know how Duclos got it?

THE WITNESS: No, I have no idea.

Q. You were not allowed to keep a copy of it? A. No member of the National Committee was allowed to keep a copy, and as a matter of fact the first time it was handed around to the National Committee members was after the Duclos article appeared, that is to say, at the National Committee meeting in June 1945 when Browder was deposed.

Then mimeographed copies were handed out. Even then the members of the Communist Party as such did not know about it until it was published in Political Affairs.

Q. Did you attend this National Committee meeting of the Communist Political Association in June 1945? A. Yes, sir, I was there all three days. That was the middle of June.

Q. What do you mean when you say that the rank and file of the Party didn't know anything about it? A. They were not supposed to know that this letter existed until 13847 it was finally published in Political Affairs.

Q. Was there any discussion in this National Committee meeting about the extent to which the letter should be publicized to the Party membership? A. The National Committee meeting to which we refer is June 1945?

Q. That is right. A. There Foster declared in the course of his remarks at that three-day session that his letter had been suppressed and that he agreed to the suppression because otherwise he would have been expelled from the Party and that now the letter should be made available to the whole membership. Several other participants in that discussion spoke up and said make the letter public to the whole membership, as they had seen it only to hold it in their hands in mimeographed form there at that session.

Q. Did Foster give any other reason other than 13848 his likely expulsion from the Party? A. Yes, sir.

Q. What did he say? A. He said he had been advised that Browder's position was upheld from abroad and that consequently he bowed before that decision.

Q. How did you as a Communist interpret the words "from abroad"?

THE WITNESS: From the Communist International apparatus, namely, from Moscow.

13850 Q. Mr. Budenz, when we recessed for lunch we were talking about the reconstitution of the Party. I believe you stated that the vote in the National Committee was finally unanimous. A. Yes, sir, in support of the Political Committee's resolution which would have restored the Communist Party.

Q. Did you ever have any discussion with any of the Communist Party leaders as to why Hudson changed his vote? A. Yes, both Stachel and Dennis and some others, as a matter of fact, discussed it.

Q. Can you recall what they said? —

THE WITNESS: Yes. They said that they had represented to Hudson that in order to carry out the Communist or revolutionary purpose he should conform to the resolution which condemned revisionism and return to the Marxist-Leninism path of the Party, that is, to the revolutionary path, and that it was his obligation as a Communist to join with the others in that attitude.

By MR. PAISLEY:

Q. Was there a so-called discussion period following these committee meetings? A. Yes, sir, a discussion period was ordered and was carried out in the Daily Worker and also discussions in different branches and discussions in different sections of the Party and in the different staffs of the Party publications.

Q. Tell us about the discussion period so far as the Daily Worker staff was concerned. A. The Daily Worker held a discussion which lasted three weeks in the Summer of 1945. We had three days a week, three hours a day for about three weeks.

Q. What would take place? A. There was an initial report, as the Communist custom, made in this case by Jack Stachel, and then there was a discussion by the staff members in regard to the evils of revisionism and opportunism which had been condemned in the Duclos article, with state-

ments as to how they could carry out better the tasks assigned to them as a result of the necessity of getting rid of revisionism.

Q. Did anybody talk to the staff members other than Stachel? A. Oh, yes. As a matter of fact, most every one participated. The chief discussion was a debate between Stachel and James Allen.

Q. Who was James Allen? A. Well, he had been foreign editor of the Daily Worker but at that time was foreign editor of the Sunday edition of the paper and a sort of adviser on foreign affairs to the Daily Worker. He was therefore a member of the staff in that respect.

Q. Did they take the same view of the situation? A. Allen held that there should be a logical following out of the condemnation of Browderism, that the United States was a hopelessly capitalist country, and that the Duclos statement against revisionism and for rejection of class peace should be interpreted in this case that socialism could be obtained with the help of the Red Army.

Q. That was Allen's position? A. That was Allen's position, yes, sir.

Q. Do you mean he took that position at an open meeting? A. Yes.

Q. In the discussion period? A. Yes, where the staff was present and also certain members of the Politburo or leading Communists such as occasionally Trachtenberg, John Williamson. Dennis even looked in, and V. J. Jerome once or twice.

Q. Do I understand— A. These men were not present at every session. They came occasionally.

Q. Did anyone take issue with Allen in the need for the Red Army to intervene, and so on? A. Stachel opposed that on the grounds that it was not in line with the Duclos article specifically and that it would expose the Party. However, he eventually at the conclusion of the discussion stated that Allen's position was permissible.

Q. Who stated that? A. Stachel.

Q. Thereafter did you discuss the matter with Stachel as to his change of position? A. Yes, sir, I discussed it with him.

Q. What did he say? A. I asked him why it was that he had made this change in his attitude, at least to the degree that he had.

Q. What did he say?

13854 THE WITNESS: He said that there was danger of complacency toward Browderism and that there were dangers in some of his arguments and attitudes that might tend to support Browderism, and that in addition it had been decided by Hans Berger, the Communist International representative, that this was permissible.

Q. When was that, approximately? A. This discussion took place in June or July, the first part of July 1945, I should judge. It was before the National Convention.

Q. At that time had the Communist Party USA withdrawn from the Communist International? A. Oh, yes, it withdrew several years before.

Q. A couple of years before, at least, wasn't it? A. Yes, sir.

Q. And as a matter of fact, the Communist International had been dissolved, had it not, or did that come later? A. I am not sure just when it was dissolved, at the moment.

Q. Was Berger still in this country? A. Oh, yes.

13855 Q. Stachel indicated to you that he had discussed this matter with Berger?

THE WITNESS: Yes, sir. He discussed the matters with Berger frequently.

Q. Did you know Berger? A. Yes, sir.

Q. At that time? A. I had not met him under the name of Hans Berger, but I knew who he was.

Q. Who was he? A. He was Gerhart Eisler.

Q. You had met him? A. I had met him under the name of Edwards when he was in the National headquarters of the Communist Party. He was there when I first joined the party.

Q. How did you know he was a CI representative?

MR. ABT: I object.

MR. BROWN: Overruled.

THE WITNESS: As Edwards I knew he was CI 13856 representative because first he told me and then I had been so advised by others of the Politburo. So far as Berger is concerned, I was advised that he was the equivalent of the CI representative by Eugene Dennis. That was in approximately 1942.

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By MR. PAISLEY:

Q. Was this discussion period preliminary to the convention of the Communist Political Association in the summer of 1945? A. Yes, sir, preliminary to the convention which took place in July 1945.

Q. Was there a meeting of the National Committee of the Communist Political Association prior to the convention? A. That is the one I spoke of, the one in June, which lasted for three days. That was the only one that was held. That was when Browder was desposed and the decision was made to hold the convention.

Q. Did the Communist Political Association also have a national Board? A. It had a national board. The National Board was the name at that time for what is popularly known as the Politburo, which was its original name, or Political Committee, the National Board of the Communist

13857 Political Association, and later on then it became the National Board of the Communist Party. Its name has been changed several times, but its functions remained the same.

Q. I take it that the Board was composed of fewer members than the committee? A. Yes, both of them changed in number according to circumstances, but normally the National Committee was approximately 60 members, whereas the board, the maximum was 14.

Q. Were you on either one? A. I was on the National Committee, as I have stated. I was not on the board, although I regularly attended sessions due to my being on the Daily Worker in an executive position.

Q. You remember this committee meeting, do you, in June 1945? A. Very well. Considering the time that has passed, I remember it very well.

Q. Where was it held? A. It was held on the third floor of the Communist Party building at 50 East 13th Street. A new hall had been made there out of what was formerly the Workers School. We held it there in that hall.

13858 Q. Will you tell the Panel the name of some of the leaders of the Party who you recall were present and who participated in the meeting?

THE WITNESS: William Z. Foster made the report, Eugene Dennis, John Williamson, Louis Weinstock, Doxey Wilkerson, Julius Emspak, Alexander Trachtenberg, Alexander Bittleman, Sam Donchen, also known as Sam Don, and a number of others. There were 80 present altogether, 60 members of the National Committee and 20 leading Communists.

*Q. Suppose you, Mr. Budenz, in your own way, tell the Panel what happened on that occasion, what took place. A. There was a three-day discussion. The first report was made by William Z. Foster, who based his statements on the Duclos article and stated—

THE WITNESS: Foster referred to the Duclos article, which he supported, and stated that it showed that Browder had been guilty scandalously of revisionism and deviation

13859 which could not be permitted in a revolutionary party, that it was the sense of it that the Party return to the path of Marxist-Leninist revolutionary ideology and action; that it had been prevented from doing that by Browder; that in addition to that it would have to steel itself and prepare itself to become a true Communist Party organization with no remnants of revisionism or opportunism in it. He declared even that Browder had been guilty of revisionism in the withdrawal of the Communist International, but at that point Stachel interrupted him to say that was an action of the Communist International itself, let the Communist International alone. Then Foster concluded by a declaration that there had not been democratic centralism in the Party, that there had only been centralism, referring to his having his letter suppressed, and they declared that the career of the Party under Browder or at least Browder's career in the Party was an example of deviation which certainly had to be wiped out.

By MR. PAISLEY:

Q. At that particular moment, Mr. Budenz, what was Browder's position in the organization? A. Browder was still technically general secretary.

Q. Of the Communist Political Association? A. Yes, sir.

Q. Was he present? A. He was present, yes. He was present, but not on the platform. He sat down in 13860 front.

Q. Do you remember who followed Foster? A. Yes, I remember the main reports. That is, Eugene Dennis followed Foster.

Q. Are you able now to recall the substance of the position taken by Dennis? A. Yes, I am, because it stood out. Dennis referred to the fact that Foster had said that he had been one of those who had shown a tendency toward opposing revisionism. He declared that this had not been the case, that he also had been guilty of revisionism and that he wished to express his determination to oppose it from then

on. He particularly recommended in order that the Party should be thoroughly steeled for its work, that there be a thorough return throughout the Party to the Marxist-Leninist classics, particularly to the writings of Stalin, the History of the Communist Party of the Soviet Union, Foundation of Leninism, and Dimitrov's Report to the Seventh Congress, which dealt with the true nature of how to conduct the United Front while forwarding the Communist revolutionary aims.

Q. Do you recall who followed Dennis? A. I can't recall them in succession. I know those that stood out. For example, Robert Minor's report was one very early.

Q. What position did Minor take? A. Minor 13861 took the position that he had been close to Browder but that he had actually opposed Browder. One of the reasons he was maintaining such cordial relations with Browder was in order to oppose him and to defeat his revisionist tendencies. This caused quite a few groans among the assembly. He went so far as to say that Browder had consulted six Senators in Washington in regard to whether the Communist Political Association even should not be ended and just the Daily Worker left as the representation of the Party or the representative of the Party.

Q. Minor said that he had discussed the matter with six Senators or that Browder had? A. That Browder had. But Stachel cut him off there and said leave the six Senators alone. He said not to discuss that matter.

Q. Did Browder take the floor at any time during the meeting? A. Yes, Browder took the floor.

Q. What did he say? A. Browder apologized for not having a formal statement. He formerly had formal reports. His position was that there was no other policy that could be pursued on the basis of the Teheran agreement, that is, between Stalin, Roosevelt, and Churchill, that there would be generations of peace, that this meant that there would also be class peace, and any other position would 13862 have looked forward to the possibility of conflict

between the United States and the Soviet Russia at the end of the war. He stated that the Duclos-Foster position actually was a war position, and he declared that he would be willing nevertheless to accept the resolution if there was an amendment put in in regard to eliminating any suggestion that the Party would fight for curbing of American foreign trade.

Q. Do you remember whether or not Foster indicated one way or the other whether or not his course of action had been approved from Moscow?

THE WITNESS: He did not do so specifically. He merely called attention to the fact that Browder in introducing the Duclos article in the Daily Worker had stated that it represented the opinion of the leading Marxists in Europe.

By MR. PAISLEY:

Q. I probably misled you there. I believe I used the word Foster. I meant Browder. When Browder was talking did he indicate to the persons assembled there whether or not his course in forming the CPA had had the approval of Moscow.

13863 MR. PAISLEY: I am asking if he indicated one way or the other. Maybe he did, maybe he didn't. I don't know. I haven't talked to the witness about it.

THE WITNESS: He stated that it followed the Teheran policy laid down by Stalin; the Teheran policy of generations of peace, and that there was only one conclusion that could be drawn from that. He based his argument on Stalin's acts and Stalin's words.

By MR. PAISLEY:

Q. Do you remember whether Jack Stachel took a position in the meeting? A. Yes, Stachel did. Stachel supported the resolution, that is to say, he attacked the revisionism of

Browder, pointing out that the Duclos article had been written before the death of President Roosevelt, that therefore it was also a criticism of the Communist Party for its tail-ism in regard to Mr. Roosevelt. That is, that it followed in the wake of Roosevelt policies and did not assume a critical attitude, that this was evidenced by the fact that the article had appeared in April in Paris, had been prepared before that, and therefore before the death of Mr. Roosevelt. He warned the Party against further tail-ism, that is, hanging on to the coattails of any political leader, except the Communist political leaders.

Q. Do you remember John Williamson being present? A. Yes, John Williamson was secretary of the conference.

Q. Do you remember any position he took? A. He spoke at great length to the effect that this policy had to be supported as laid down by Duclos and also recommended the reading of Marxist-Leninist works, State and Revolution, and other classics which he claimed had been neglected during the period from 1944 to 1945, and that there must be a return to the raising of the ideological level of the Party so that it would avoid hereafter revisionist errors such as Browder had led them into.

Q. Was Elizabeth Gurley Flynn present? A. She certainly was.

Q. Do you recall anything that she said? A. She made an extensive talk in which she particularly criticized Robert Minor for his having been more Browderite than Browder. She said he was an example of revisionism, that his statements were not up to what a Communist should have made. She declared further that during all the time that she had been on the Politburo she had not been permitted an independent thought or act, that every time she made proposals she was bowled over with the statement that she didn't understand Marxist-Leninist theory. She hoped that from now on there would be the possibility of expression within the Politburo which would not be met with that sort of

sweeping argument. She condemned Browder very
13885 severely for having misled her and others into an
incorrect path.

Q. You say Foster made the main report. Do I understand by that that he led the discussion, led over the convention or whatever you call it? A. That is correct. That is the Communist method of procedure. There is no parliamentary debate in Communist meetings. There is a report by a reporter, and then there is discussion, and then the reporter concludes in a summary, and what he says, the leader, becomes what is agreed to. Foster, because he said he was partly ill and unprepared, allowed Dennis to make part of the main report. That is, the two were together. That is the reason I remember them distinctly.

Q. How long did this discussion last? A. It lasted three days.

Q. Do you recall whether or not Foster took the rostrum, or however you might express it, on the third day? A. Yes, he did. He proposed on the third day that the conference send wires to the strikes that were occurring and to other trouble spots where strikes were contemplated, urging them to strike and to hold out for strikes. He said that was in line with the new attitude that the Communists should take.

Q. Just what was the situation historically at that time, Mr. Budenz, with reference to the war? This was
13866 in the summer of 1945. A. June 1945.

Q. Do you recall whether or not Germany had been defeated at that time? A. Certainly we were still at war with Japan.

Q. What was this that Foster was proposing about a strike?

THE WITNESS: The extension of strikes by the encouragement of them through the Communist Party.

By MR. PAISLEY:

Q. What happened as a result of his proposal? A. Two Communists who are connected with the United Electrical Radio and Machine Workers Union, Julius Emspak and Ruth Young, immediately had a hurried conference with Foster which I overheard, in which they urged him to withdraw this statement, that it would injure the Communist infiltration, of the unions and was not at all a timely procedure on that account. He agreed to do that, and in the afternoon session, some time later, he got up and withdrew his suggestion.

Q. So were these telegrams dispatched? A. They were not, because of the objection of Emspak and Ruth Young.

Q. What conclusions, if any, were reached by this National Committee? A. They condemned revisionism, drew up a program which was based on the Duolos letter and demoted Browder as general secretary.

13870 Q. I notice that Foster in the letter uses such terms as "opportunistic error" and "revisionism." Will you explain to the Panel just what those terms mean?

13871 THE WITNESS: "Opportunistic error" is a well-known term in the Communist documents and in Communist discussions. Opportunism is the blurring over or killing off of the revolutionary Marxist-Leninist objectives of the Communist movement, by any tendency or deviation which makes the Communists forget that their goal is the violent shattering of the bourgeoisie state as set down by Lenin and Stalin.

By MR. PAISLEY:

Q. What about "revisionism"? A. "Revisionism" is generally applied as a term to opportunism from the right. It is Kautskyism that is based on the fact that Karl Kautsky differed from Lenin in regard to the Bolshevik revolution

and likewise it is a blurring of the revolutionary class war objectives of the Communists so that they can not fulfill their function as Communists and lose sight of the goal of shattering violently the bourgeoisie states. From this revisionism there flow a number of other errors which apply to immediate work, that is to say, for example, confusing reforms which the Communists adopt for tactical reasons with objectives. Therefore, this is considered a very serious deviation. The term arose from the attempted revision of Marx by Edward Bernstein, an alleged socialist, but it now has come to mean any deviation from the Communist objective as set down by Lenin and Stalin of the violent shattering of the bourgeoisie state, anything which takes away the fact that this Communist Party is not a party of a new type and not a party which rejects civil peace.

Q. Was Trotskyism regarded as opportunism? A. Trotskyism in general is opportunism from the left. Trotskyism is accused also of blurring the objectives of the Communists, but with left phrases and left objectives. The revisionism is rather applied as a rule to what I call opportunism from the right. It is Kautskyism as distinct from Trotskyism to that extent.

Q. After this national committee meeting about which we have been talking there followed a national convention of the Communist Political Association, did there not? A. Yes, sir, in New York City.

Q. Do you recall when it was held? A. It was held about the middle of July at the fraternal club house.

Q. Did you attend? A. I attended only a few sessions. I was very busy on the Daily Worker.

Q. Was the general public and representatives of the press admitted? A. No, they are never admitted to a Communist Party convention proper.

Q. What happened at the convention of the Communist Political Association?

13873 Q. As editor of the Daily Worker and from any sessions which you did attend, did you learn what took place? A. Yes, sir, most decidedly.

Q. What did take place?

THE WITNESS: The Communist Political Association was changed back to the Communist Party. That is the same convention which met as the Communist Political Association convention became the Communist Party convention.

By MR. PAISLEY:

Q. To what extent was the leadership changed?

THE WITNESS: In substance the leadership was not changed. Browder was not in the picture, but
13874 Foster was national chairman, and eventually Dennis became secretary, though there was a secretariat set up at that time of which he was a member.

13877 Q. Mr. Budenz, the Party when it was reconstituted in 1945 adopted a constitution, did it not?
A. That is correct.

Q. It was not amended until after you left the
13878 Party, was it? A. It wasn't amended while—

Q. It wasn't amended while you were in the Party.
A. No.

MR. PAISLEY: May I have the 1945 constitution?

MR. DENUNZIO: That is Exhibit 329.

By MR. PAISLEY:

Q. Are you familiar with that constitution? A. Yes. I received it as soon as it was printed.

Q. I direct your attention, Mr. Budenz, to the preamble to this constitution, the first sentence of which reads as follows: "The Communist Party of the United States is the Political Party of the American Working class, basing

itself upon the principles of scientific socialism, Marxism-Leninism."

As a member of the Communist Party what meaning did that sentence have for you?

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13879 THE WITNESS: Marxism-Leninism is a well-known and historical term in the Communist documents and discussions. It is that interpretation of so-called scientific socialism based on the writings of Marx, Engels, Lenin and Stalin, and which holds as the goal of the Communist Parties of the world the necessity for the violent shattering of the bourgeois states in order to set up in their place a completely new state machinery, the dictatorship of the proletariat. This shall be achieved under Marxism-Leninism through the Party of the new type, the Bolshevik Party under Bolshevik discipline, which rejects the concept of class peace.

By MR. PAISLEY:

Q. Did the Communists in the United States at that time regard the American Government as a bourgeois state? A. It did, yes, according to the Communist concept it is a bourgeois state. It is a matter—Well, I can't add to that unless you ask a question.

Q. Now I call your attention to this sentence in the same preamble: "The Communist Party upholds the achievements of American democracy and defends the United States constitution and its bill of rights against its
13880 reactionary enemies who would destroy democracy and popular liberties."

Can the two sentences be reconciled?

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THE WITNESS: The statements can not be reconciled. The dedication of Marxism-Leninism is the dedication historically and categorically to the violent shattering of the bourgeois state as the necessary step toward progress, and this other language in the light of that, since Marxism-

Leninism principles prevail, is merely a window-dressing for legal protective purpose. It is part of the Aesopian language recommended by Lenin.

By MR. PAISLEY:

Q. Did the words "reactionary enemies" have any particular meaning in Communist circles?

THE WITNESS: They do.

By MR. PAISLEY:

13881 Q. What interpretation do they have? A. Reactionary enemies are those who are seeking to curb the Communist conspiracy. The term "Fascist" is used likewise as an alternative. It runs through all Communist literature. The reactionary enemies are those who are seeking to curb the Communist conspiracy.

13884 Q. Mr. Budenz, I call your attention to the sixth paragraph of the Preamble to the Constitution of the Communist Party adopted in 1945, reading as follows:

"The Communist Party, therefore, educates the working class, in the course of its day-to-day struggles, for its historic mission, the establishment of socialism."

As a member of the Party and as a result of your
13885 experience in the Party, what was meant by that language?

THE WITNESS: The historic mission of the working class was laid down by Lenin and Stalin specifically, and understood throughout the Communist movement. It is the establishment of the dictatorship of the proletariat through the smashing of the bourgeois states and the setting up of a so-called dictatorship of the proletariat, Soviet dictatorship.

By MR. PAISLEY:

Q. In this same constitution, Article IX, Section 2, which reads:

"Adherence to or participation in the activities of any clique, group, circle, faction or party which conspires or acts to subvert, undermine, weaken or overthrow any or all institutions of American democracy, whereby the majority of the American people can maintain their right to determine their destinies in any degree, shall be punished by immediate expulsion."

13886 Were you familiar with that provision of the constitution? A. Yes, sir.

Q. What meaning, if any, did that language in the constitution have for you?

Q. Particularly in the light of the first sentence of the preamble, about which we have already had testimony.

A. That was what I was about to say, Mr. Paisley. In light of the dedication to the principles of Marxism-Leninism and the reiteration of this in the mention of the historic mission of the working class, which are well defined, historically worked out terms in the Communist movement, especially by Lenin and Stalin, this is merely protective language in order to protect the Communist Party and at the same time enable it to go forward in advancing the principles of Marxism-Leninism. It is Aesopian language recommended by Lenin.

Q. Is this word "Aesopian" a word which you, yourself, have coined, or is that a word which had meaning in Communist Party circles when you were a member? A. It is a word that had a meaning in the Communist Party circles, having appeared in the preface to the Russian edition of Lenin's "Imperialism."

13887 Q. I want to go back for a moment to the time when you were in Chicago, Mr. Budenz. Do you recall a visit out there by Eugene Dennis in the fall

or winter of 1939-1940? A. Yes, sir. That was during the Hitler-Stalin Pact period, when the party was going underground.

Q. What do you recall about the particular visit of Dennis out there? A. There was a meeting called of the chief functionaries of the Communist Party in Illinois, or at least in Chicago, very hurriedly called together and held in the basement of a building in Chicago, at which Dennis appeared. He had been underground or partly underground, and he came there. There were present at this meeting a number of the leading functionaries, including Morris Childs, the district organizer, William L. Patterson, who was then associate editor of the Midwest Daily Record, that is, associate with me, and was also on the State Committee, Ed Brown, who was the organization secretary of the district, Jack Martin, and a number of other functionaries.

Q. Did Dennis address the meeting or discuss any Party matters with you? A. The meeting was very brief. At that meeting, Dennis declared that he had come for the purpose of giving us directives as to the urgency of the complete underground existence of the Party, that is, we had already had instructions about dividing into groups of five and having no public records. He reiterated this again, 13888 and at the same time he declared that we should be prepared in case the United States joined with Great Britain against Hitler, to turn the imperialist war into civil war as Lenin had advised. He stated that his purpose was to prepare us for eventualities of that character, and also that we should prepare the Party and its organization work for eventualities of that character.

Q. Did he give you any specific instructions as to how you should proceed? A. He emphasized the urgency of what was already contemplated, and that was of real diligence and expedition in the breaking down of the Party units or branches into groups of five, and going underground and destroying Marxist literature. In other words, going on a completely war basis.

Q. Did you always use your own name while you were in the Party? A. Yes, sir.

Q. Was there any practice in the Party with reference to assumed names?

THE WITNESS: There were Party names. I presume that is what you mean. There were Party names.

By MR. PAISLEY:

Q. To what extent was that prevalent? A. It was 13889 common in the case of concealed Communists, that is, people who were functioning as non-Communists publicly but who were actually Communists. With open Communists the practice was less. For example, a man like William Z. Foster, so far as I know, never had a Party name. But I know a great number of other people who did have Party names.

Q. Did Dennis make another visit out there? A. Not to Chicago.

Q. Or to any other city? A. Yes. I met him in Milwaukee in the fall, late summer or fall of 1940. I had gone then from the Daily Worker out to Milwaukee, and Dennis said that he would see me there.

Q. Did you see him there? A. Yes, sir. We met at the home of Mrs. Meta Berger.

Q. At that time, had Hitler invaded Poland yet? A. Oh, yes. He had quite a time before. This was in the fall of 1940.

Q. Had he attacked Russia? A. No, he had not.

Q. The Hitler-Stalin Pact was then still in effect? A. That is right.

Q. Tell us what happened at this home of this woman who was present and what was said? A. This was a very small meeting, attended by about six or seven 13890 people—Ned Sparks, who was the district organizer for Wisconsin, who brought me out to the place; Fred Bassett Blair, who was the leading functionary in the Communist Party in Wisconsin; and Sigmund Eisenschur,

who had been Midwest Daily Record representative in Milwaukee but was a Communist functionary; also Harold Christoffel, who was a concealed Communist and the president at that time of the local union at the Allis-Chalmers plant. There were two or three others, but I don't recall them.

Q. Did Dennis have anything to say at this meeting?

A. Yes, sir.

Q. Will you tell the Panel in substance what he said?

A. He stated that the meeting had to be very brief because he was underground and had to go away rather quickly. There were three things that he placed on the agenda. One of them was the bolshevization of the Party; another, the Allis-Chalmers situation; and the third, the Socialist Party in Wisconsin which the Communists were penetrating.

On the first point, very briefly summarizing it, he had in his hand a typewritten copy of an article that he had written for The Communist, and which was published, I believe, in May 1940, at least during that year, on the bolshevization of the Party. He wanted to stress the bolshevization of the Party, the necessity of being more vigorous in the underground organization of the Party, in steeling the 13891 comrades to the possibility that the imperialist war would be turned into civil war.

In this connection, his main emphasis was the urgency of a wider reading of the works of Stalin in particular, and of certain works of Dimitrov, but the works of Stalin, particularly the History of the Communist Party of the Soviet Union, and Foundations of Leninism, in order that the comrades would not be lost in this underground work but would understand their goals, so the Party would be steeled for any shock. That was his first mission. He reviewed the scene much more widely than that. In fact, he referred to the "Roosevelt war." He declared that Earl Browder had stated officially at the last convention that Roosevelt was another Hitler, and that we should realize that in opposing the Roosevelt policies we were fighting the

Fascistization of the United States, and should put, therefore, every energy into it. That was the general introduction.

On the second point, on the Allis-Chalmers situation, he declared that it was essential that war production in Great Britain be halted in order to forward this campaign against the Roosevelt program, and in that connection the Politburo had decided that there should be a stoppage at the Allis-Chalmers plant. He did solicit Christoffel's views on this matter, and there was a discussion in which Christoffel participated briefly.

13892 Q. Who was Christoffel? A. He was the president of the local union at that time of the United Automobile Workers in the Allis-Chalmers plant. He is not so any longer.

Q. Was he a Party member, to your knowledge? A. Yes, sir. I met him as such on several occasions.

Q. Did you testify in his trial here in the District? A. Yes, sir, in two of them.

Q. What was Allis-Chalmers making at the time, do you know? A. I do not know the specific material, but it was considered to be a key part of the aid to Britain, and the general defense build-up of the United States.

13894 Q. Was there a strike on at the time? A. No, sir, there was no strike at the time.

Q. Do you know whether a strike took place after this meeting? A. I wasn't there. I know that Christoffel there agreed that a strike should be called, and that
13895 grievances could be filed which could bring about such a strike.

Q. Was this before Germany invaded Soviet Russia?
A. Oh, Yes.

Q. How long before, approximately?

THE WITNESS: This was in the fall of 1940. It was almost a year, I should say nine months before the invasion.

By MR. PAISLEY:

Q. Do you know whether or not a strike took place?

THE WITNESS: As Editor of the Daily Worker, I know, but I wasn't on the scene. I know a strike took place in the early part of 1941.

Q. Did Dennis give Christoffel any instructions in your presence?

THE WITNESS: Yes, sir. He specifically stated that the Politburo required a stoppage at the Allis-Chalmers plant. He said they had chosen that place as being one where such a stoppage should take place because of the Communist leadership there in that local at that time.

13898 Q. Mr. Budenz, did the Daily Worker customarily have staff meetings while you were Managing Editor? A. Yes, they had staff meetings.

Q. To what extent? A. They weren't what you would call regularly arranged for any particular time. They were called whenever it was essential to bring up some outstanding political topic. Therefore, we would have them once or twice a month, and then two months might go by.

Q. Who would attend the staff meetings? A. Normally, the members of the Daily Worker staff. I say 13899 "normally," because on one occasion of this special discussion there were more of the leading functionaries there than was usual. Then generally some leading Party functionary, member of the Political Bureau as a rule, would make a report on this topic. It might be national affairs with Eugene Dennis, or it might be a report on the work of the State of New York by Gil Green, various topics, in order to keep the Daily Worker members on their toes..

Then, of course, this was always intertwined with political discussion, because it was for political purposes that it was held. I mean "political" in the Communist sense, political education.

Q. You referred to the various so-called classics, including the History of the Communist Party of the Soviet Union. Were those books used by you in your work, and by the other members of the staff, up to the time you left the Party?

THE WITNESS: Yes, sir, they were used, and they were also very freely quoted in the staff education meetings, if you want to call them that, staff meetings which were held.

By MR. PAISLEY:

Q. Throughout your time in the Party, was there 13900 ever an instance, to your knowledge, when there was any criticism of the Soviet Union published in the Daily Worker?

MR. ABT: I object. We have had this question over and over again, Mr. Chairman.

MR. BROWN: Overruled.

MR. PAISLEY: We have not.

MR. ABT: May I finish, Mr. Paisley?

The Panel has previously ruled it is an improper question.

MR. BROWN: Overruled.

THE WITNESS: Not only was there never any criticism of the Soviet Union, but there was always praise of the Soviet Union and its leadership. That was a "must" rule.

By MR. PAISLEY:

Q. Would the answer be the same with reference to Political Affairs, as far as you were able to observe?

A. Yes, sir, the same rule applied to Political Affairs.

Q. Where the policies of the United States differed from those of the Soviet Union, which side would the Daily Worker take, if any?

- 13901 THE WITNESS: Always with the Soviet Union; and there are very many examples of that, particularly during the Hitler-Stalin Pact period, which could be drawn upon if time permitted.

By MR. PAISLEY:

Q. Do you know of any exceptions to that proposition?

THE WITNESS: None whatsoever. It was not permissible to have an exception to that rule.

13905 Q. After the disaffiliation, so called, of the CPUSA from the Communist International, did you ever see this man Gerhart Eisler in the United States? A. Yes, I saw him.

Q. Where? A. Once at Jacob Golos' funeral in the latter part of 1943, and once across the street from a meeting of the National Committee.

Q. When was that? A. My remembrance is that it was in 1942.

Q. Are they the only two times that you actually saw him? A. Yes. He stayed away from national headquarters.

Q. Did you talk to him on either occasion? A. I did not, no.

Q. Did he talk to you? A. He did not, no.

Q. Did you ever discuss his activities in this country after the disaffiliation of the CPUSA from the Communist International with any of the leaders of the Communist Party USA? Answer yes or no. A. Yes.

Q. With which members? A. Several. Earl Browder, Jack Stachel, Eugene Dennis.

13906 Q. Do you now recall anything that any of those leaders of the Party had to say about the activities of this man in this country?

THE WITNESS: I have mentioned the fact that Eugene Dennis in the latter part of 1942 stated that Hans Berger was the equivalent to the representative of the Communist International, that he was fulfilling those functions, that his real name was Gerhart Eisler and that I was to receive any communication from him as being that of the C. I. Rep. Dennis at that time was liaison officer with the Daily Worker but was going down to Washington for several days, maybe two weeks. He told me I was not to confuse Eisler's integrity as a Communist leader with the fact that he had a sister who was a Trotskyite. That is the case of Dennis. Although he mentioned this again on several occasions, that is a specific case I can recall.

In regard to Stachel, his references to Eisler were constant during 1943 and '44, rather to Berger, Eisler as Berger. He mentioned meeting him in order to get directives and in order to discuss problems. He brought him money from the Daily Worker. He had me arrange with Bill Browder to get money for him. He also arranged 13907 for certain articles to be printed in the Daily Worker under the name of Hans Berger.

By MR. PAISLEY:

Q. Who was Bill Browder? **A.** Bill Browder was business manager of the Daily Worker.

Q. A brother of Earl Browder, was he? **A.** That is correct.

Q. Did you have any discussion with Foster concerning this man Berger? **A.** I don't recall any specific discussion with Foster along this line.

Q. Do you recall whether or not Berger actually contributed any articles to the Daily Worker? **A.** Oh, yes, very many. They appeared week after week in the Daily Worker, and also some in The Communist. As a matter of fact, it was Stachel who emphasized Berger more than anybody, because Stachel was the representative of the Political Bureau who dealt with the Daily Worker over several years.

Q. Did you know this man Golos, whose funeral you attended? **A.** Yes, sir, I knew him rather well.

Q. When did you meet him? A. I first met him away back in the twenties when I attended a Russian-American corporation which was being organized at that time, but I didn't see him from that period on until I joined the Communist Party.

Q. What was his first name? A. Jacob Golos. He was supposedly the head of the World Tourist Agency, and did function from there in the Flatiron Building in New York. I have been to his office and conferred with him there. He has been to my office and conferred with me. He has been in touch with me a great number of times, particularly from, we will say, 1936 on until his death.

Q. What kind of business was this World Tourists, if you know? A. It was a tourist agency in regard to making arrangements for tourists into Soviet Russia and also sometimes into other countries. But it also was connected, as I know, with the Soviet espionage agency.

Q. Was he a party member? A. He was chairman of the control Commission of the Communist Party for a number of years. That was the most powerful commission in the Party, having to do with the discipline of the membership. Each Communist is compelled to file his biography with that, and that is the commission that watches after the Communist integrity of the membership.

THE WITNESS: The fact is that when he died; because he was an alien Browder asked me to write that he had never been a member of the Communist Party, although a friend of the Party, whereas he had been chairman of the Control Commission for at least a number of years.

By MR. PAISLEY:

Q. Did you write such an article? A. That is my remembrance. I know we discussed it and I am sure it appeared.

Q. Do you think it was published? A. Yes, that is my remembrance.

Q. How often would you see Golos during the period of time that you were on the Daily Worker? A. It was irregular. He first saw me in order to introduce me to members of the MVD or Soviet secret police operating in this country. Then from time to time he was the source of getting in touch with me by them. Then when I was out at Chicago he used to call me up on the long distance phone in regard to the same matter. A relationship of that kind, though not in the same degree, continued down to 1943.

13910 Q. What would be the occasion for his introducing you to the various members of the Soviet Police?

Q. Did I understand you to say that he did introduce you?

A. Yes, sir.

Q. What would be the occasion for that? A. Not to various members. He introduced me to one member first, and then afterwards he was the go-between for other members. The occasion?

Q. To what individual did he introduce you? A. He introduced me to a man who went by the name of Richards.

Q. Did he introduce you to any others? A. Yes. That is, I became acquainted in the same way from Richards to a man named Roberts whom I met several times in the presence of Golos and who I now know was Dr.

13911 Gregory Rabinowitz, the head of the Russian Red Cross, supposedly, but he went by the name of Roberts with me.

Q. Did you meet Elizabeth Bentley? A. Yes, sir. I was introduced to Miss Bentley, by Mr. Golos, who stated that she was a trusted comrade who was engaged in very important underground work and that anything that I wished to tell her in that respect I could tell her. He could not see me as much as he had wished to before because he had recently pleaded guilty, yes, pleaded guilty to having violated

the foreign agents' act, and he didn't want to be seen too much in contact with me or other known communists.

Q. Give him the time and place, if you can. A. The meeting with Richards occurred in 1936, early 1936, as a result of my being called upstairs to the ninth floor by Jack Stachel and re-introduced to Golos and then Golos took me down the street to a restaurant and introduced me to Richards. The meeting with Roberts took place approximately a year later.

Q. Can you give him the place? He wants the place. A. At Childs Restaurant on upper Broadway. That was with Richards introducing me to Roberts, however.

13912 Subsequently, I met from time to time on until 1939 off and on with Golos and Roberts, who I say I now know to be Dr. Gregory Rabinowitz. We met on one occasion in 1938 in the Office of the World Tourists on a Saturday afternoon in this Flatiron Building.

Q. Now give him the time and place on your meeting with Elizabeth Bentley. A. That was early in 1943, as I recall, about that time.

Q. And the place? A. The place was in front of the Daily Worker Building. Mr. Golos had seen me several times in my office about a matter which he wanted me to take care of in underground work, and then one day he came to me and asked me if I would come downstairs and he introduced me to Miss Bentley not far from the 13th Street entrance to the Daily Worker Building.

Q. Did you know Alexander Trachtenberg? A. Oh, yes, for many years.

Q. What position, if any, did he hold in the Communist Party, USA? A. He was the head of the cultural commission, which has charge of the direction of the Communist cultural activities, the schools, the entertainment field, publications, and also has charge of the infiltration of cultural activities outside of the Communist Party.

13913 Q. Was he active in the Party during the time you were in the Party? A. Yes, sir, he was very active and a very important communist.

Q. Did he ever have anything to do with these publishing houses about which we have heard so much? A. He was in charge of the general publishing field. Specifically, though, he was head of International Publishers, in New York City. He also helped to direct what was called the Workers-Library Publishers and then was changed to the New Century Publishers. But his specific first job, I should say, was that of head of the International Publishers, which gets out all the Marxist-Leninist classics.

Q. Did you have occasion to discuss mutual matters, matters of mutual interest? A. Many times, yes, sir. We discussed many times the question of publications. He was very much interested in our newspapers, the Daily Record and the Daily Worker, and in pamphlet publications also. In 1938 he announced to me when I came into Chicago that he had obtained the authorized Marx-Lenin edition in English of the History of the Communist Party of the Soviet Union which was to be published in English.

13914 It had already been published in Russian. The English edition was going to be available.

Q. Did you ever have any discussion with him as to whether or not his activities or the activities of these publishing houses were supervised in any way or controlled in any way?

THE WITNESS: Mr. Trachtenberg stated many times, not only to me but in the Politburo sessions, that he had obtained authorized translations from Moscow. He was not permitted to issue any Marxist literature, especially the classics, without the authorization of the Marx Institute in Moscow and was in touch with them repeatedly in that regard.

By MR. PAISLEY:

Q. During your activity in the Party did you come to know this man J. Peters, who wrote the Peters Manual?

A. Yes, sir; I knew him rather well, too. I saw him very often.

Q. What position, if any, did he have in the Party? A. He was introduced to me by Jack Stachel, as organization secretary of the Party, although Stachel said at the same time he was much more important than that. To my own knowledge in dealing with him and from his own statements to me, he was liaison man between the Communist International apparatus here and the Soviet Police operating in America.

Q. How often did you come in contact with him? A. In my first year in the Party, or two, I was frequently in contact with him, maybe as much as two or three times a week, if not more. Then later on when I went to Chicago that tapered off, except when I saw him in New York, and then when I returned he was for the time being largely underground and I didn't see him much, but I saw him later after, we will say, 1943 or so.

Q. Was that his real name? A. No, it was not. I don't recall his real name now. He had many different names.

13933 Q. Mr. Budenz, what news services did you find that the Daily Worker was a subscriber to when you first became associated with the Daily Worker? A. They had a purely commercial relationship with the United Press, and then they also received news from the Runag News Agency.

Q. What was the Runag News Agency? A. The Runag News Agency was the agency which under various names, that is, I mean to say, various language names, furnished information out of Moscow to the Communist Party and their organs.

Q. Upon what service did the Daily Worker depend for news items from Moscow?

13934 THE WITNESS: It depended for the main political items; these items were sent over in great volume by cable and wireless to the Daily Worker directly from Moscow through the Runag News Agency, and they contained articles translated from Soviet papers and pronouncements of Stalin and other Soviet leaders which were used in Daily Worker and also were sent up to the ninth floor.

Q. What were the sources of your information concerning this arrangement for the receipt of news by the Daily Worker from Moscow? A. In the course of my work on the editorial board it was there discussed and also the Politburo.

Q. Did it come up for discussion frequently or otherwise? A. Not frequently, but it came up occasionally. It was a well-established service. They had had it there for some time.

Q. When the matter first came to your knowledge, when you first went to work there for the Daily Worker, 13935 just exactly what was the arrangement whereby the Daily Worker received this information from Moscow?

MR. ABT: I object. No foundation.

MR. BROWN: Overruled.

THE WITNESS: It received it free of charge from Moscow and, as I say, it came in to the Daily Worker direct.

By MR. PAISLEY:

Q. Did you have occasion to talk to Earl Browder about it from time to time? A. Yes, not frequently but I have talked to Browder about it.

Q. What were the physical arrangements for the receipt of this information? A. There was in the Daily Worker a telegraph room, and in that telegraph room there were placed special machines for this service from Moscow.

13936 Q. Do you know whether these were direct wires to Moscow? A. They came from Moscow, yes.

Q. Was the material received in the English language? A. Yes, sir. The prepositions were left out and had to be filled in, but otherwise the entire material was there in the English language.

Q. Give the Panel, Mr. Budenz, some idea of the extent of this information which came to you through the Russian news agencies? A. It was irregular in its contents, that is to say, sometimes it was not so large as others, but it was whole articles from the Soviet publications, statements by Soviet leaders, the approved statements by Stalin, for example, in English translation. Then on other occasions when there was the Trotskyite Bukharin trials, for example, a great deal of the questions and answers, in fact, the whole trial, substantially, was sent over by cable or wires.

Q. Were these operators on the same floor that the Daily Worker occupied? A. Yes. That is, when I say the Daily Worker I mean the editorial department of the Daily Worker. There was the linotype department on the seventh floor and the presses below in the basement, but I am speaking of the editorial offices.

Q. That was on the eighth floor? A. Yes, sir.

Q. And the headquarters of the Party were on the ninth floor? A. That is correct.

Q. What use customarily was made of this information which came to you? A. A great deal of it was published in the Daily Worker, and all of it was sent up to the ninth floor, that is, a copy of it.

Q. Were any directives from Moscow ever received through this system?

13938 THE WITNESS: These articles all contained directives. That is to say, the Communists looked in

these articles from Moscow for the directives and the line that was to be pursued, the attitude that should be taken.

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Q. What did the Daily Worker pay for this service?

A. Nothing.

Q. Do you know who did pay for it? A. I do not know directly.

Q. Did you ever discuss it with any of the Communist Party leaders? A. Yes, sir. It was discussed extensively both before I was managing editor and after I was managing editor.

Q. By "extensively" what do you mean and with whom?

A. With Grace Maul Granich, with Earl Browder, and some occasions with Joseph Brodsky.

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13939 Q. Let me ask you this: At the time you discussed the matter with Browder, what was his position in the Party, if any? A. He was general secretary, that is, head of the party.

Q. What did he tell you about the arrangement? A. He stated that this was free service from Moscow which we received, both for the benefit of the Party leadership and and for the benefit of the paper. Later of course other questions arose about this service.

Q. What were the questions that arose later? A. After the passage of the Foreign Registration Act of 1938,
13940 if I remember that year, the questions came up about how to handle this service, and while the service continued, a corporation was formed, the Inter-continent News, with the idea of finding some way of handling the service independent of the Daily Worker to all appearances.

Q. Who formed that corporation? A. That was formed by discussions between Browder, Grace Maul, and Brodsky, and approved by the Politburo, so far as I know.

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Q. Were these people you named, Mr. Budenz, all functionaries of the Communist Party when these matters were discussed? A. Yes, sir.

Q. All of them. Every one. Just tell the Panel in your own way what was decided and what was done about this matter. A. There were various steps. In 1938 or 1939 when I came into Chicago I attended a conference where I was invited to be present between Earl Browder and 13941 Grace Maul Granich and Joseph Brodsky, at which this matter was taken up, and the formation of the corporation was discussed and also its conduct.

Q. What was Brodsky's position in the Party? A. He was attorney for the Communist Party. The Daily Worker had another attorney, but he was attorney for the Communist Party.

Q. Was there any change made in the actual physical receipt of the news? A. There was eventually, yes.


Q. Tell it in your own way. A. By 1941 it was decided that Grace Granich should take over as the alleged sole proprietor or owner or director of this Intercontinent News Corporation, and she first operated for a few months at least, maybe a little bit longer, in the Daily Worker Building, that is, on the ninth floor, and then moved over to 799 Broadway. That was in 1941.

Q. Do you know the purpose of her moving? A. Yes, sir.

Q. What was it? A. The purpose of her moving was to indicate that she was a separate corporation from the Daily Worker and therefore the Daily Worker would not have to file as a foreign agent.

Q. Were these operators and machines moved 13942 physically from the premises? A. The machines were moved. One or two machines continued to receive news at the Daily Worker direct from certain correspondents that we had through the country and even one or two foreign countries.

Q. I mean the receipt of news from Moscow. A. They were moved out of the Communist Party Building.



Q. Did there come a time when the Department of Justice was insisting that the foreign propaganda be filed and labeled as such?

THE WITNESS: Yes, sir. The Department of Justice took over the matter of conducting the foreign registration act. Before that it was in the hands of the Department of State. They requested the Intercontinent News Corporation to register and also to label its corporation Communist propaganda or foreign propaganda according to the Act.

Q. Were the requirements of the Foreign Agents Registration Act a subject for discussion among you people? A. Oh, yes indeed. In fact, Grace Maul Granich was over at my office a number of times discussing the matter in various states of its development.

Q. Did she comply with the request that she label this information?

13943 THE WITNESS: No, sir. That was the point. That was the thing that wanted to be avoided.

Q. What was the final determination in the matter, Mr. Budenz?

THE WITNESS: The final determination was that the Intercontinent News Corporation ceased operations because of this demand of the Department of Justice.

By MR. PAISLEY:

Q. And then what did the Daily Worker do for news direct from Moscow?

THE WITNESS: We got a correspondent in Moscow and also began to use the Soviet Bulletin here of the Embassy and established certain correspondents in certain other for-

eign countries, Latin America and the like, but the correspondent in Moscow was supposed to endeavor to
 13941 cover as much as possible of the whole international scene.

Q. Do you remember over what period of time Grace Granich resisted the efforts of the Department of Justice—

Q. (continued) —to require her to file foreign propaganda and label it as such?

Q. Approximately. A. The Department of Justice?

Q. Yes. A. About two years or a little less.

Q. Do you know from your discussions with her and other leaders whether she was finally required to comply by labeling the material she received—

THE WITNESS: Would you repeat that, please?

(The pending question was read by the reporter)

THE WITNESS: Yes, sir, she was supposed to.

13945 By MR. PAISLEY:

Q. Is that when she dissolved this Intercontinent?

A. That is right.

Q. Did you have any discussions with her or the Politburo or Browder or any other leaders of the Party as to why they did not wish to comply?

THE WITNESS: Yes, sir. That was a matter of extended discussion, I mean extended time. The reason was that they did not wish to register as foreign agents and also a very disturbing element was that when the Department of Justice came into the scene they did not wish an examination of the financial structure since they stated that it would show that the amount of money the Intercontinent News got from the

Daily Worker and Freiheit was inconsequential compared to the cost?

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Q. What was the importance of this service, if any, to the Communist Party of the United States?

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13946 THE WITNESS: It was of very great importance, not merely to the Daily Worker which thereby received day to day indications of the line which should be followed and the interpretation of the line, but also, as I have stated, copies had to be sent up to the ninth floor and they were considered by the leadership of the Party as part of the directives they received.

By MR. PAISLEY:

Q. Did any other publication in the United States receive this service direct? A. No. The Daily Worker sent a copy to the Freiheit, that is, when it was Runag. A copy was also reserved for the Freiheit. That was the daily paper which was also in the same building with the Daily Worker. Later on the Intercontinent News distributed it to the Daily Worker, Freiheit, and several other Communist controlled papers.

Q. To your knowledge, Mr. Budenz, did the Communist Party resort to any strategy to conceal its control of the Daily Worker?

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13947 THE WITNESS: It was to separate the Party technically from the Daily Worker that the Freedom of the Press Company, Inc.; was established.

By MR. PAISLEY:

Q. That is the company of which you became president?
A. That is right.

Q. Was Granich in the Party up until the time you left?
A. Yes, sir.

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13953 Q. Do you know who had control of Party finances?

THE WITNESS: They were in the control while I was there of a commission headed by Weiner, assisted by Lement Upham Harris and the late Charles Krumbein. They supervised all finances of the Party and also decided on the needs of the various divisions of the Party.

Q. Did that include control of the Daily Worker finances?

A. It included supervision of the Daily Worker finances.

Q. How about the finances of the International Publishers?

A. It included the control of all organizations under the control of the Party, even including a number of Communist front organizations. That is, they were supervised by Weiner, assisted by Lement Upham Harris, and the late Charles Krumbein.

MISS McHALE: May I ask two or three questions?

13954 Q. How much freedom, Mr. Budenz, did you feel that you had, if any, as managing editor of the paper or of the publication with respect to composition, et cetera?

THE WITNESS: The execution of things, that is, the assignment of things to be done was in the hands of the managing editor, but the complete control of the tone of the paper, its political attitudes, and even the leading articles was in the hands of the political bureau, and their representative conferred, as I have stated, I should say on the average of once a day, particularly during the latter part of my managing editorship, in addition to frequent discussions over the telephone and frequent visits upstairs to go over matters.

MISS McHALE: How was this done in the day? Was the copy for the press read and checked?

THE WITNESS: Yes. That was done as in a regular newspaper by copyreaders, but also on important matters the managing editor or the assistant managing editor, whoever was there in the evening, went over it. However, by

13965 that time the tone of the paper, the editorial policy and everything else had been decided.

MISS McHALE: Did you have any recourse in the event you didn't agree with some of the decisions? To whom could you go?

THE WITNESS: You had to agree with every decision. It would cause you to be expelled for some deviation if I disagreed.

MISS McHALE: The other question is this: During your time with the Daily Worker, with the Communist Party, did they ever employ you on their headquarters staff in any capacity as a non-Communist?

THE WITNESS: They did not. That is, when you say headquarters staff I judge you mean the personnel of the Party itself and the secretaries and telephone operators. They of course had to have some non-Communists among the printers, because the union insisted on certain rules in that respect. So far as I know these telegraph operators sent in by the outside agencies were non-Communists, but the entire staff, including telephone operators, secretaries, and everyone else had to be communists. In fact, you had to get their biography during a period of time for the control commission and examine them very carefully before putting them on, at least after a probationary period.

MISS McHALE: This is my last question: In respect 13966 to the fealty oath I get the impression that not all groups had to take it, that it was optional at a particular time, but that some of the leaders had to take it. I would like to have that clarified.

THE WITNESS: This was presented to me as something that it was essential that I accept. I was told by Stachel that this was what all Communist functionaries had to have as their basic pledge and loyalty. There was no oath of that kind or pledge given to mass Communist members. At one time there was a pledge given which included very strong words in regard to attachment to Soviet Russia, but this

pledge to Stalin was one which was given to party functionaries and leaders.

MISS McHALE: Over a period? There was no particular concentration of emphasis?

THE WITNESS: No. It occurred after the 1935 Congress, but all through the Communist directives and literature there is constant hailing of Stalin as the leader, teacher and friend. That is repeated over and over again in Political Affairs and The Communist.

13957 CROSS EXAMINATION

By MR. MARCANTONIO:

14055 Q. You testified about a meeting held in a basement in Chicago in the fall or winter of 1939-1940. You so testified here. A. That is right.

14057 Q. You have testified here that at that meeting Dennis said the Party should be prepared in case the United States joined with Great Britain and against Hitler to turn the imperialist war into a civil war as Lenin had advised. That was your testimony here. A. That certainly is correct.

Q. Are you sure, for example, that Dennis said in so many words that the Party should be prepared to turn the imperialist war into a civil war? A. He made two statements. He first said that we should be prepared to
14058 turn the imperialist war into something else, and then at the conclusion of the discussion he said we should turn the imperialist war into civil war, that we should be prepared if the United States joined Great Britain against Hitler.

14059 Q. You wrote about this meeting in This is My Story? A. That is right.

Q. Did you say there that Dennis talked about turning the imperialist war into a civil war? A. I may not have.

Q. As a matter of fact there you say that he said that the imperialist war would have to be turned into something else. A. Yes, I probably did.

Q. On cross-examination you say that Dennis made two statements. A. Oh, yes:

Q. The two statements, according to you, were, one, the imperialist war had to be turned into a civil war, and two, that the imperialist war had to be turned into something else. On direct examination you didn't say anything about Dennis making two statements. You attributed only one statement to him, did you not? A. I didn't give
 14060 a whole resume of his statement there. That was the thing that I had most in mind at that time.

Q. But you were talking about this statement, this meeting in a basement, on direct examination, were you not? A. Oh, yes, I was but you don't cover everything that is said. I may remember in a few minutes something more that was said because you just don't cover everything in a statement. That is just known. I put down that he said turn the imperialist war into civil war, which he did, if the United States joined Great Britain.

Q. But you had gone over that particular meeting in the basement, this basement meeting, this so-called meeting that took place in Chicago—you had gone over that with Mr. Paisley before you testified about it? A. Yes, I did rather hurriedly.

Q. Hurriedly? Were not the question and the answer to that written out? Written out hurriedly, would you say? A. I don't know whether that was written out or not. I can't recall that particular matter.

Q. When you wrote about this episode—and I have your book before me, This is My Story, page 195—didn't you say as follows with reference to Mr. Dennis' statement?

"Gene Dennis was there from New York and gave a

brief report. In almost sepulchral tones he said the
 14061 time was approaching when we would have to "turn
 the imperialist war into something else." That was
 plain enough; it meant to be prepared to do anything to
 wreck American loans to aid Britain, either directly or in-
 directly."

Do you recall writing that?

Q. Yes. I started reading from here (indicating). A. Yes,
 that is what I wrote.

Q. You testified that in 1939 you made a trip from Chi-
 cago to New York with Morris Childs to secure some money
 for the Midwest Daily Record. That was your testimony
 here? A. That is correct. It may have been the latter part
 of 1938, but it was in that period. My memory is that it
 was in early 1939. That is very correct. We had made sev-
 eral of those trips.

Q. Your memory isn't too good on dates, is it? A. Yes, it
 is good on dates, particularly some that stand out. But that
 was one of a series of trips made back and forth on this
 question. Weiner was out in Chicago on the money.
 14062 question, and Childs and I on several occasions were
 in New York on it.

Q. You testified that you and Childs conferred in New
 York? A. That is correct.

Q. And you conferred with one Robert Weiner? A. Wil-
 liam Weiner, yes.

Q. That Childs asked Weiner if he couldn't get some
 money from abroad? A. That is correct.

Q. And your testimony here is that Weiner answered
 that he could normally but channels of communication
 abroad had been broken for the time being. Was that your
 testimony? A. That is right.

Q. You testified here that "abroad" meant financial aid
 from Moscow? A. That is correct.

Q. Mr. Witness, you have had occasion to write or testify
 about the sources and nature of the finances of the Com-

munist Party in your two books, is that right? A. To some extent.

Q. You did write about that subject matter, did you not?

A. Yes, I did.

14063 Q. In your public testimony before various committees as well as in deportation proceedings and in court proceedings and in various other writings you have had occasion to discuss or narrate with reference to the source of Communist Party finances, have you not? A. Yes, sir.

Q. You testified this morning, did you not in one of the early questions I asked you, that you didn't say anything here that you hadn't said anywhere else publicly or that you hadn't written somewhere else publicly? A. That is my remembrance.

Q. That was just this morning. Do you remember being asked that question and making that answer? A. I say that was my remembrance this morning, that I had.

Q. You answered that question that you had not said anything here that you had not either published or about which you testified anywhere else, isn't that right? A. That was my remembrance.

Q. Publicly. Have you ever in any of your books or writings or in your published testimony related this alleged conversation between yourself, Childs and Weiner? A. It is my remembrance that I have somewhere. I certainly have told the Federal Bureau of Investigation about it.

Q. I didn't ask you about that. I didn't ask you
14064 what you told the Federal Bureau of Investigation.

That is private. I asked where in your writings in your books which have been published or in your public testimony, where you have publicly testified and where the record of your testimony is available, have you testified relating this particular incident that you have related here that is alleged to have taken place between yourself, Childs and Weiner. A. I can't recall for the moment.

14069 Q. Did you testify about it in a proceeding before the subcommittee on Immigration and Naturalization of the Committee on the Judiciary, 81st Congress, in May 1949? A: I don't know.

Q. Did you testify about finances in that proceeding? A. I did in part, yes.

Q. Didn't you make this statement? Page 240:

"The Party has a bigger treasury than you think. It can go out, and finance all the meetings, and it gets the money back, you understand."

Were you asked this question by the Chairman?

"Where does this treasury come from?"

And did you make this answer: "Of my own knowledge I can not say, but it certainly is supposed to come in part from Moscow."

Did you give that answer? A. I may have.

14070 Q. I will show it to you and ask you whether or not you did, starting here (indicating).

THE WITNESS: Yes, sir, that is correct.

By MR. MARCANTONIO:

Q. You did make that statement? A. That is of my knowledge.

14096 Q. You testified that the Starobin letter was received by you in May 1945, is that right? A. I testified it was received in May because it was received after Manuisky arrived and before the Duclos article was printed or made public.

14108 Q. Did you make this statement in your book. I am reading from page 278 of your book entitled This is My Story:

"To a very inner group there had been a hint, of course, that the Soviet views were about to change. The most sensational by-product of the San Francisco conference was never published: the whispered orders of D. Z. Manuilsky, boss of the Communist International, to the American Party via the French Comrades. We got wind of this at the Daily Worker through a letter from Joseph Starobin, foreign editor of the paper, sent post haste from the conference scene in California. Manuilsky's indirect command did not censor Browder in any way, but it did bluntly order that Stettinius must be fought. However, this was supposedly in order to forward the pledge of Teheran—and so it was conveyed to us. There was not the slightest indication that Manuilsky intended any such drastic operation within the

Party as Browder's political execution, though
14109 sharpshooting against the United States officials was not exactly the way Browder had talked. Naturally, the Daily Worker leaped to follow the Manuilsky command and increased its snars and shouts against the Secretary of State."

Did you write that statement? A. I said here via the French Comrades.

Q. That is through the French Comrades. That is what you said, right? A. That was involved in the matter. That didn't necessarily require that I put in everything that was in the letter there. I mentioned the French Comrades there.

Q. I didn't ask you whether it was necessary or what was necessarily required. I asked you whether or not that is your writing. A. That is correct, Counsellor, but the French Comrades were mentioned there, Manuilsky is mentioned there, Starobin's letter is mentioned there.

14110 Q. You say you don't remember your testimony before the UAC, the Un-American Activities Committee, on this subject? A. No, not in detail.

Q. You don't remember whether you testified about it or not, do you? A. I don't know.

Q. I will try to refresh your recollection on that by showing you your testimony. At page 34 did you make this statement:

14111 "As a matter of fact, right on the eve of the Browder business, Joseph Starobin, the foreign editor of the Daily Worker, wrote a very indiscreet letter to the editorial board of the Daily Worker, from whence it was snatched and immediately travelled to the ninth floor. And in that letter he said toward the end of the San Francisco conference, that the French Comrades, who were used largely to beat the Americans, asserted that there should be more of an attack upon Stettinius by the American Communists. He added that this was 'likewise the opinion of Comrade Manuilsky.' This letter was very quickly taken by Stachel and it travelled to the ninth floor and disappeared. This was an instance before Browder's deposition showed how things were going."

Did you make that statement? A. Yes..

* * * * *

14123 Q. Was your report to the FBI about the Starobin letter the same as your testimony before the Un-

14124 American Activities Committee? A. I cannot recall now, counselor. I have given report after report to the FBI. I have answered questions they have asked me, and there have been many, many questions.

Q. Can you tell us whether or not the date that you gave them as to the receipt of the letter with respect to the beginning or the end of the conference, was the same as you gave to the Un-American Activities Committee? A. No, I can not.

Q. Or did it follow your description of the incident in "This is My Story"? A. I think it probably followed the description of the incident in "This is My Story," although there may have been more factors to it than that. I know, as I say, that the various items covered in the book were gone over with the FBI either before or after the book was published.

Q. Let me ask you this question specifically, if you remember: Did you tell the FBI that the Starobin letter was received toward the end of the San Francisco conference?

A. I do not recall that. I do not recall their questioning me about the details of the matter. What is, I can not recall the details as presented to them.

Q. Do you recall whether or not you told the FBI that Starobin wrote that it was the French Comrades who said there should be more of an attack by the American party on Stettinius? A. I told them, yes, that, and that that was what Manuilsky said, also.

Q. You remember telling them just that? A. I don't remember specifically, but I know I gave them the substance of this material that we have had before us, that is—

Q. Do you remember specifically whether or not you told them that Starobin wrote that it was the French comrades who said that there should be more of an attack by the American party on Stettinius? Did you specifically give that report to the FBI? A. I gave the report that this flowed from Manuilsky. I don't know the exact phraseology in which I made it. I also referred to the French comrades.

Q. But you don't know whether you specifically made this statement? A. Oh, I couldn't remember that today, no.

MR. ART: If the Panel please, on the basis of the witness' testimony, we move that the Panel direct the petitioner to produce all reports made by this witness to the Federal Bureau of Investigation dealing with the so-called Starobin letter.

14132 MR. BROWN:

You have argued your motion at length on the production of the Bureau reports, and your motion is denied.

By MR. MARCANTONIO:

14150 Q. While you were connected with the Daily Worker did it ever carry an article or editorial

written by you—and you were the managing editor for a time—which advocated the overthrow of the Government by force and violence? A. Not directly or specifically, no. That was not the line of the Party then. It had changed as a result of the People's front. Before that the Daily Worker did, but during our time these references were made through references to Marxism-Leninism, the Leninist classics, and the like.

Q. During your time—you were connected from when to when on the Daily Worker? When did you begin? A. 1935 to 1945.

Q. So in 1935 to 1945 did you at any time write any article in the Daily Worker advocating the overthrow of the government by force and violence? A. No, I did not, not specifically.

Q. While you were with the Midwest Record did you or anybody else publish in that paper anything which advocated the overthrow of the government by force or violence? A. No, sir, except by reference to the works which stand for that program, but it was not the line of the Party at that time to publicly do that.

14152 Q. When did Edwards tell you that he was a C. I. representative? A. He told me that in the latter part of 1935 or early 1936, or rather it was first told in his presence.

14155 Q. Was it on just one occasion that he told you that or was it on other occasions that he told you? A. That I do not recall.

Q. But you distinctly remember one occasion that he told you that he was the C. I. Rep? A. That is right.

Q. You mentioned another occasion when somebody else in the presence of Edwards told you that he, Edwards, was a C. I. Rep. When was that occasion? A. Well, once Bittelman mentioned it, and I don't know whether this was in the presence of Edwards. I remember Bittelman mentioning it in his presence.

14156 Q. Going back in your testimony didn't you tell us here that there was another occasion when someone in the presence of Edwards told you that he was a C.I. Rep? A. Yes. I say Bittelman did on one occasion.

Q. But you now say it was not in the presence of Edwards? A. Oh, yes, it was. I am trying to recall whether Harry Raymond said it in his presence or not.

Q. But you do recall and you are certain, you say, that Bittelman in the presence of Edwards did say that he, Edwards, was a C.I. rep? A. That is right.

Q. When did that take place? A. That was in the spring of 1936.

14160 Q. Was Harry Raymond a member of the Political Bureau? A. No, he was not.

Q. You were a witness in the trial, the United States v. Eisler, in the United States District Court for the District of Columbia, were you not? A. That is right.

Q. That testimony of yours took place in July 1947, did it not? A. That is substantially right, yes, sir.

Q. You testified for the government? A. That is right.

Q. Do you remember who the prosecutor was? A. Mr. Hitz.

Q. In this trial Eisler was charged with having made false statements in an application to the State Department for permission to leave the United States, isn't that

14161 right? A. Yes.

Q. One of the alleged false statements was that he had stated that he was not a member of or affiliated with any organization, although in fact, it was alleged, he was a member of and affiliated with the Communist Party, is that right? A. That is right substantially.

Q. And another alleged false statement was in answer to a question what names he had used, he had written only Gerhart Eisler, whereas it was charged that he had in fact used among others the names Edwards and Hans Berger, isn't that right? A. That is right.

Q: Before taking the stand of course you discussed your testimony with the prosecutor in that case, did you not? A. Yes, sir.

Q: You were informed of the nature of the trial, what the trial was all about? A. Yes, I was.

Q: You were fully aware of the accusations made against the defendant in that case? A. Yes, sir.

Q: You had informed the prosecutor the testimony you would give was testimony that would bear on the charges, on these charges that we have recited here? A. That 14162 was the supposition, yes, sir.

Q: The prosecutor told you, did he not, that one of the things he was trying to prove in the trial, that is, one of the issues, was that Eisler had been a representative of the Communist International? A. I do not recall that.

Q: You don't recall that? A. No. I recall the general charges against Eisler, that is, the ones on which he was tried as having misrepresented himself as being not a Communist when he was one.

Q: Don't you recall the prosecutor charged Eisler with being a representative of the CI? A. I do not.

Q: As a matter of fact, you were in the courtroom at the time the prosecutor opened up the case, were you not? A. No, I wasn't.

Q: You were conversant with the prosecutor's opening up and the charging that he made, were you not? A. I came in late and I wasn't there when he made the charges. I wasn't particularly familiar with them.

Q: You knew about the case from the beginning? A. Yes, I did.

Q: You followed the case from the beginning? A. Yes, to some extent.

Q: As a matter of fact, you read about the case in 14163 the press during that period, did you not? A. Oh, yes.

Q: You say now that you don't know that the prosecutor charged Eisler with being a representative of the CI, that that was part of the Government's case and that it was

so charged? A. I don't recall it. I recall the charge that Eisler was technically arraigned on as I understood it, that is, that he had misrepresented his Communist Party affiliation.

Q. Those were the charges that he was technically arraigned on, and you were aware, were you not, that those charges did involve his being a CI representative? A. I suppose they did.

Q. You supposed at that time that they did, didn't you? A. I should say so.

MR. ABT: If the Panel please, so that there may be no doubt about this question that Mr. Marcantonio has raised on cross-examination we request the Panel to take judicial notice of the opinions, both the majority and the dissenting opinions, in the case of Eisler v. the United States before the United States Court of Appeals for the District of Columbia, which appears in 176 Fed. 2d. page 21, and we direct the Panel's attention particularly to two brief statements in the opinion which I would like to point out. First, the following statement in the opinion of the majority of the court, and I quote:

"In spite of this, the Appellant claims prejudicial error because the prosecuting attorney outlined in his opening statement the broad sweep which his proof would take concerning Eisler's activities as a Communist and as an agent of the Communist International."

That appears at page 23 of the opinion.

Then the following statement, which appears at page 25 of the dissenting opinion, Judge Edgerton's dissent, and I quote:

"The prosecutor in his opening statement told the jury that the Appellant 'was a representative of the Comintern and that his real purpose for coming to this country * * * was for the purpose of disrupting the economy of the United States, to further the ends of Moscow.' There was testimony that he had been 'the head of the Comintern' and was to direct the Communist Party in this country. He

was represented as having taken a leading part in Communist activities here and abroad. The prosecutor in his closing argument told the jury that Appellant was 'Anti-Government.' "

By MR. MARCANTONIO:

14169 Q. Isn't it a fact that in that trial you stated that you related everything that you could recall about your meetings with Eisler in the 1930's. A. I don't know. It may be that I did.

Q. It may be that you did. So now you say that you may have said to the court and jury in that case that you had related everything that you could recall about your meetings with Eisler in the 1930's? A. It may be.

Q. Since you say it may be, I ask you whether or not you were asked this question and whether or not you gave this answer: I am now calling the witness' attention to his testimony at page 1286 in the transcript of the proceedings, United States of America v. Gerhart Eisler. Were you asked this question and did you make this answer?

"Now have you related everything that you can recall about your meetings with Eisler in the 1930's?

"Answer: That is all that I recall."

Did you give that answer to that question? A. Yes, I did. That was all I could recall then, probably.

Q. That was all that you could recall at that time? A. That is right.

Q. That was in 1947? A. That is right.

Q. Is it not a fact that never in the Eisler trial did you testify that Eisler or Edwards had ever told you that he was a representative of the Communist International, as you have testified here? A. That may be. I took it for granted that everybody knew he was a CI Rep. I mean in my own mind.

Q. In your own mind. A. Sure. The whole course of Eisler, the Batory, the Red Polish ship and all that indicates that he was.

Q. So the reason that you did not state at that
 14171 trial that Eisler had told you that he was a CI Rep,
 as you have testified here, is because you assumed
 that everybody knew about Eisler's being a CI Rep? Is
 that your testimony now? Is that your explanation? A. I
 didn't recall the conversation and didn't think it necessary,
 probably.

Q. So you say now that the reason you did not make
 mention of it in that trial was because you did not recall
 the conversation and you didn't think it was necessary, is
 that it? A. That is right.

• • • • •
 14172 Q. Did you anywhere in that trial testify that any-
 body told you in the presence of Eisler that Eisler
 or Edwards was a CI Rep? A. I don't recall having done so.

• • • • •
 14328 Q. I show you Exhibit marked for identification
 CP-68, which is a pamphlet entitled "Red Baiting:
 Enemy of Labor," and ask you who wrote it. A. I wrote it.

Q. When? It states on the back cover. A. 1937.

Q. October, wasn't it? A. That is right.

Q. At that time you had been in the Party for about three
 years, is that right? A. That is right.

Q. You were then labor editor of the Daily Worker? A.
 That is right.

Q. I call your attention to the last page, which reads as
 follows:

"That is why the Communists place themselves in the
 front line trenches of the fight for trade unionism and de-
 mocracy, along with other progressive trade unionists.

"That is why the Communists strive so zealously to build
 the unions and to preserve their unity from disruption."

• • • • •
 14380 Q. You testified here that after the passage of the
 Foreign Agents Registration Act of 1938, there was
 a discussion on how to handle the Runag service. A. That
 is right.

Q. You also testified that after the Department of Justice took over the registration of foreign agents from the State Department, the Department of Justice requested Intercontinent News to register, and also to label its material as foreign propaganda; wasn't that your testimony here? A. That is right. That was 1942, though.

14381 Q. You also testified that the reason why Browder and the other party leaders did not want to comply with the Act was because they did not wish to register as foreign agents and did not wish an examination of the financial arrangement by the Department of Justice. Was that not your testimony here? A. That is right. That is what Mrs. Maul Granich said several times.

Q. But that was your testimony here? A. That is right.

Q. Didn't you also tell us here that in 1941, Intercontinent News moved out of the Daily Worker office to separate itself from the Daily Worker so that the Daily Worker would not have to file as a foreign agent? Wasn't that your testimony here? A. That is right. The Intercontinent News was to be an independent corporation in appearance.

Q. Is it not a fact that the Daily Worker did register under the Foreign Registration Act? A. It registered, and denied it had foreign—as I remember, it registered, but denied it had foreign agents.

Q. But it did register, did it not? A. That is right.

Q. As a matter of fact, didn't you personally sign and swear to a registration statement under the Act?

14382 A. That is right.

MR. ABT: Will you mark this?

(Document marked for identification CP Exhibit No. 70.)

By MR. MARCANTONIO:

Q. I show you Communist Party Exhibit No. 70 for identification. That is a statement dated September 5, 1941, is it not? A. Just a moment. (Witness examining document.) That is right.

Q. It was filed with the State Department on that day or the next day, on or about that day, isn't that right? A. Yes.

Q. That statement was made by you as President of Freedom of the Press Company, Inc.? A. That is right.

Q. This statement refers to a prior statement dated October 10, 1940, does it not? A. That is right. I don't know.

Q. October 18. A. It states here October 18, 1940.

14387 Q. In the October 1940 statement, which is CP Exhibit 71, reference is made, is it not, to a Registration Statement contained in CP Exhibit 72, which is the Registration Statement of March 1940? A. That is right.

Q. That is clear, isn't it? A. Yes, sir. But these statements were not made to avoid registration. They were to avoid registration as foreign agents. They deny they are foreign agents.

Q. These statements that you have, CP 70, 71, and 72, were all filed with the State Department, were they not? A. Yes, sir.

Q. And they are forms for registration under the Foreign Agents Registration Act, are they not? A. That is right, but they deny they are foreign agents. That is the point.

Q. Now I call your attention to Question 12 on Exhibit 72, which is the first statement that was filed, on March 29, 1940. Question No. 12. We have there the following question:

"Identification of all contracts of employment or other documents submitted herewith to indicate in complete detail the nature of the employment of registrant and the terms, and conditions thereof. If contract is oral, a full statement of the terms and conditions thereof must be submitted herewith and identified herein."

14388 Will you read the answer to that question? A. This is one that I had not made myself. This is a previous statement.

Q. That is right, but it was referred to. A. "Photostats of contract with the United Press attached hereto. The registrant receives the regular telegram and mail news service covering events all over the world for publication in newspapers and the United Press, under the contract, is entitled to the use of all news in our two newspapers for transmission to other parts of the world."